

Message Text

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ACTION ARA-10

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E.O. 11652: N/A

TAGS: EFIN, EINV, HA

SUBJECT: DUPONT CARIBBEAN-GOH DISPUTE

REF: STATE 222443

1. DURING OCTOBER 25 CONVERSATION WITH FOREIGN MINISTER BRUTUS, I
RAISED DUPONT CARIBBEAN'S CLAIM AGAINST GOH FOR ALLEGED UNJUSTIFIED

CANCELLATION
OF CONTRACT. EVEN THOUGH PIERSON'S LITIGATION WITH TRANSLINEAR HAD BEEN

SETTLED OUT OF COURT, I SAID, PIERSON STILL DESIRED TO DISCUSS WITH
APPROPRIATE GOH OFFICIALS NEGOTIATED SETTLEMENT OF DISPUTE,
PARTICULARLY
COMPENSATION FOR DAMAGES TO HIM. I STATED THAT WHILE USG TAKES NO POSI-

TION ON MERITS OF DISPUTE, IT CONSIDERS THAT ALL CONCERNED WOULD
BENEFIT
BY A NEGOTIATED SOLUTION. I HANDED BRUTUS LETTER CONTAINING THESE
POINTS.

2. BRUTUS, WHO DISPLAYED CONSIDERABLE FAMILIARITY WITH CASE, COMMENTED

AS FOLLOWS:

A. PIERSON FELT HE WAS THE INJURED PARTY IN LARGE MEASURE BECAUSE
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HE HAD CONCEIVED A GRANDIOSE FUTURE FOR HIMSELF AND THE TORTUGA

PROJECT MANY YEARS AGO AND HAD CLUNG TO IT DESPITE CHANGED CIRCUMSTANCES. EVEN AFTER DR. DUVALIER'S DEATH AND THE SUBSEQUENT DISMISSAL AND DISGRACE OF FORMER INTERIOR MINISTER LUCKNER CAMBRONNE, PIERSON'S CHIEF ACCOMPLICE IN THE SCHEME, PIERSON REFUSED TO ADMIT THAT HIS ASSOCIATION WITH PROJECT WAS ALSO COMPROMISED.

B. PIERSON CLAIMED HE HAD SUFFERED MATERIAL DAMAGES UPON CANCELLATION OF CONTRACT, BUT HE HAD NOT BEEN ABLE TO OFFER PERSUASIVE PROOF OF SPECIFIC FINANCIAL LOSS.

C. THE DISPUTE HAD BEEN SUBMITTED TO THE ESTABLISHED LEGAL PROCESS IN HAITI AND HAD BEEN DEFINITELY ADJUDICATED. ONE COULD NOT ASK A STATE TO REPUDIATE ITS OWN LEGAL PROCEDURES.

D. ALTHOUGH PIERSON SOUGHT TO PRESENT HIMSELF AS BEYOND REPROACH, HE WAS "NO SAINT". BRUTUS SAID PIERSON HAD ONCE HAD TO LEAVE A FOREIGN COUNTRY BECAUSE OF DUBIOUS BUSINESS PRACTICES. (GOH OFFICIALS HAVE ALLEGED THAT PIERSON OPERATED A PIRATE RADIO STATION OFF UK AND LEFT UNPAID HOTEL BILLS IN LONDON.) BEFORE TAKING PIERSON'S ALLEGATIONS AT FACE VALUE, IT MIGHT BE PRUDENT TO EVALUATE HIS PAST BUSINESS PRACTICES, BRUTUS SAID.

3. WHATEVER THE MERITS ON EITHER SIDE, I REJOINED, PIERSON COULD ALWAYS

CLAIM HE HAD BEEN DENIED JUSTICE IN HAITI IF GOH REFUSED EVEN TO DISCUSS HIS CLAIM, PARTICULARLY IF ISSUE WERE NOW TO FOCUS MORE ON COMPENSATION

FOR DAMAGES THAN ON REINSTATEMENT OF CONTRACT. I RECALLED THAT MINISTERS JEANTY (JUSTICE) AND FOURCAND (COMMERCE) HAD HELD AN EXTENDED MEETING WITH PIERSON LAST MARCH; IT WOULD BE HELPFUL TO HAVE THEIR VIEWS ON THE MATTER, SINCE WE HAD NEVER RECEIVED AN AUTHORITATIVE ACCOUNT OF WHAT TRANSPIRED.

4. BRUTUS READILY ACCEPTED THIS SUGGESTION AND OFFERED TO ARRANGE MEETING WITH THESE TWO MINISTERS NEXT WEEK IN HIS OFFICE FOR A THOROUGH REVIEW OF THE CASE. I SAID THIS WOULD BE HELPFUL MOVE.

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